

## **Rule 9020-1 LOSS MITIGATION PROGRAM**

(a) The Loss Mitigation Program (“LMP”) is a structured forum for debtors and creditors to reach consensual resolutions when residential property is at risk of foreclosure.

(b) For purposes of the LMP, the following definitions apply:

- (1) “loss mitigation” includes the full range of solutions that may prevent either the loss of a debtor’s property to foreclosure, increased costs to the lender, or both, including but not limited to, loan modification, loan refinancing, forbearance, short sale, or surrender of the property in full satisfaction.
- (2) “debtor” means any individual debtor in a case filed under Chapter 7, 11, 12 or 13 of the Bankruptcy Code, including joint debtors.
- (3) “property” means any real property used as a principal residence in which an eligible debtor holds an interest.
- (4) “loan” means any mortgage, lien or extension of money or credit secured by eligible property, regardless of whether the loan is considered to be subprime or non-traditional, was in foreclosure prior to the bankruptcy filing, is the first or junior mortgage or lien on the property, and/or has been pooled, securitized or assigned to a creditor or trustee.
- (5) “creditor” refers to any mortgage holder, assignee, servicer or trustee of an eligible loan.
- (6) “Core LMP Package” refers collectively to all of the forms and documentation that the creditor requires in order to initiate the assessment of loss mitigation options.
- (7) “Portal” refers to a secure online service that allows LMP documents to be submitted, retrieved and tracked. A list of approved Portals and related information shall be posted on the Court’s website.
- (8) “Loss Mitigation Order” refers to an order of Court commencing the LMP and setting certain deadlines applicable to the participants, substantially in the form of Local Bankruptcy Form 41.

(c) Unless otherwise ordered by the Court, the Local Bankruptcy Rules apply to the LMP, including but not limited to the caption requirements set forth in W.PA.LBR 9004-1, the certificate of service requirements set forth in W.PA.LBR 2002-1 and the notice requirements set forth in W.PA.LBR 5005-8.

(d) The confidentiality provisions of mediation set forth in W.PA.LBR 9019-5 shall apply to the LMP process.